



Dairy Week In Review

Dated July 28, 2010

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (July) **	\$15.50/cwt.	▲ 0.1 %	▲ 1.2 %	▲ 24.4 %
Corn (Aug)	\$3.76/bushel	▲ 0.2 %	▲ 11.2 %	▲ 18.0 %
SBean Meal (Aug)	\$301.7/ton	▲ 3.7 %	▲ 5.6 %	▼ 10.9 %
Milk Margin*	\$12.21/cwt.	—	▲ 6.54 %	▲ 91.98 %

*Each issue of "Dairy Week in Review" will report on current and projected "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for. Milk margin is affected by both milk & feed prices. ** The milk price reported is the Class III futures price for the next month plus a basis of \$1.75, an estimate of what you can expect to see on your milk check next month.

- The biannual "Cattle" report released last week showed there were 44.5 heifer replacements for every 100 cows in the herd, up from 42.9 per 100 last year. Dairy men had 4.05 million dairy replacements on hand, up from 3.95 million last year, and the most since 1994.
- The Class I mover for August is \$15.77 per hundredweight, up 11 cents from July and the highest since November 2008.
- The USDA Cold Storage showed butter stocks were down 25 percent from a year ago and total cheese stocks were up 4 percent from last year, as of June 30. American-type cheese stocks were at 628.4 million pounds, up 4.4 percent from 2009 and up 2.2 percent from May. Total cheese stocks were at 1.027 billion pounds, up 1 percent from May. Butter stocks are at 197.9 million pounds down 6.9 percent from May.
- The USDA Livestock Slaughter report shows dairy cow slaughter was at 256,000 head in June, up 47,000 from May and up 42,000 from June 2009. Milk cow inventories are at 9.1 million head, down 1 percent from July 1, 2009.

Government & Industry:

- According to Dairy Profit Weekly, sales of packaged fluid milk products in May 2010 were down 0.7 percent from May 2009. Sales of whole milk, flavored whole milk, skim milk and buttermilk all declined from a year ago.
- A study presented at the School Nutrition Association's Annual National Conference demonstrates the need for chocolate milk in schools. The study showed milk consumption fell 35 percent on days when only white milk was offered.
- The European Union's deadline of October 1, 2010, to require all dairy products imported into the 27 European Union countries be made only from milk with a somatic cell count level of less than 400,000 has been extended to December 1, 2010, with the implementation period extended to allow the U.S. to develop and implement a revised program.

Thank you to the dairy farm families who attended the Center for Dairy Excellence's summer "Open House and Dairy Tours" in July. We greatly appreciate the hospitality of the Harnish family in Washington Boro, the Kauffmans in Reedsville, and the Zylstras in Friedens, who hosted the three open houses.

